

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Dewey Blatchford,

Petitioners-Appellants,

v.

Palo Alto County Board of Review,

Respondent-Appellee.

ORDER

**Docket No. 10-74-0284
Parcel No. 604044001230**

On July 5, 2011, the above captioned appeal came on for hearing before the Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2) and Iowa Administrative Code rules 701-71.21(1) et al. The Appellant Dewey Blatchford was self-represented. The Palo Alto County Board of Review was represented by Attorney Lyssa Henderson. Both parties participated by phone. The Appeal Board having reviewed the record, heard the testimony, and being fully advised, finds:

Findings of Fact

Dewey Blatchford is the owner of a residentially classified, single-family residence located at 204 Ford Road, Emmetsburg, Iowa. The property is a one-story home, built in 2006, with 1865 square feet of total living area. The property has a full, walk-out basement with 1548 square feet of finish. There is also a 968 square-foot, three-car attached garage and a 240 square-foot deck. The site is 0.409 acres and has 107.57 effective-front feet of lakeshore on Five Island Lake.

Blatchford protested to the Palo Alto County Board of Review regarding the 2010 assessment allocated as follows: \$129,080 in land value and \$200,200 in improvement value for a total assessment

of \$329,280. He asserted the market value of the subject property is \$246,960, allocated as \$76,960 in land value and \$170,000 in improvement value.

The January 1, 2010, assessment of Blatchford's property was changed from the January 1, 2009, assessment making it a reassessment year and allowing all grounds for protest. Blatchford's claims were based on the following grounds: 1) that the assessment was not equitable compared with the assessments of other like property under Iowa Code section 441.37(1)(a) and 2) that the property was assessed for more than the value authorized by law under section 441.37(1)(b).

The Board of Review denied the protest.

Blatchford then appealed to this Board reasserting his claims.

On his protest form, Blatchford listed five properties as equity comparables; one property as a recent comparable sale. The four assessment comparables are as follows: 2106 Grand Avenue, 101 N Superior Street, 205 Madison Street, and 3302 1st Street. All are located in Emmetsburg. While the improvements are reasonably comparable to the subject property in style and size, all four of the properties are located "in-town" and not on a similarly situated lakefront lot like the subject property. The effective front foot pricing for the four properties range from \$100 to \$250, with a median of \$130. The lakeshore lots are priced at \$1200 per effective front foot. As such, we do not find these properties to be similar to the subject because the land value of a lake-front lot is typically higher and has greater appeal than that of an in-town residential lot. Blatchford did not provide any support for the market values of these properties.

Blatchford also offered 318 Ford Road, also referred to in testimony as the "Kundel"¹ property, as a comparable sale for equity purposes. This property sold in September 2009 and is located on the same street as Blatchford's property. The sales price for the real estate only was \$390,000.²

¹ David and Margaret Kundel were the sellers of this property.

² Blatchford offered the Declaration of Value (DOV) for the Kundel property, as exhibit 7. The DOV indicates a sales price of \$430,000 with \$40,000 being allocated to personal property. The remaining \$390,000 is attributed solely to the real estate.

The Kundel property is a one-story home built in 2000; however, it has 2880 square feet of above grade living area (GLA) with a fully finished (2880 square feet) walk-out basement compared to the subject's 1865 square feet of GLA and 1548 square feet of basement finish. Additionally, the photographs on the property-record cards indicate the Kundel property has a four-car garage compared to the subject's three-car garage. The Kundel property also has a fireplace and whirlpool while the subject property does not feature these amenities. Blatchford did not make any adjustments for the size or amenity differences between the Kundel property and his property to establish a market value conclusion.

Blatchford asserts the \$390,000 sales price of the Kundel property compared to its 2010 assessment of \$455,100 is also an indication assessments are greater than the market value of properties in the area. While we agree the sales price of the Kundel property compared to its assessment is extraordinary, the analysis is insufficient to support an equity claim as no adjustments have been made for differences which exist between the properties. Additionally, we note that Blatchford did not directly compare the Kundel property to his own in an effort to establish market value for his property.

The Palo Alto County Assessor, Lois Naig, testified for the Board of Review. Naig referenced a spreadsheet (Exhibit B) of vacant lot sales in the Rockport subdivision where Blatchford's property is located. The spreadsheet listed the sale date, lot number, sales price, front foot, and sale price per front foot of four properties. It also included a bar graph of this information. The sales prices per front foot ranged from \$1029 to \$1381 with a median of \$1263. We note, however, that these numbers do not take into account the effective front foot, which is calculated by applying a depth factor. The land value of lake-front property assessments is based on the effective front foot, and as such, we give limited consideration to this data.

Blatchford also provided a plat map of the Rockport development and compared it to a plat map of a neighboring area just east, which also fronts the Five Island Lake area. Blatchford noted the

sites in his development are assessed on a front-foot basis, while the other nearby properties are assessed on a per-acre basis. The Rockport development is platted into typical residential lots and includes typical city utilities. The neighboring area is randomly platted with acreage sites of various shapes and sizes and differing frontage to the lake. Additionally, these sites are located outside of the city limits and have private septic systems. The assessor distinguished between these two areas as being “in town” (on public utilities) and “acreages” requiring private septic and well systems. While these properties essentially neighbor each other and we find the need to use different units of comparison is weak, nonetheless a distinction was made between them.

The Board of Review also provided a spreadsheet of “home sales on the lake” (Exhibit C) as well as a spreadsheet of “home sales in Emmetsburg, not located on the lake” (Exhibit D). We do not find the second spreadsheet relevant as the subject is located on the lake.

The spreadsheet of homes sales on the lake lists five sales with sale dates from June 2007 through September 2009. Because there are few sales at any given time of lake-front property we recognize the necessity to consider more dated transactions. However, the sales presented are not adjusted for time, size, quality or amenities. Additionally, there is no analysis or comparison made between the market value of these properties and their assessments to develop a ratio study. Therefore we find this information incomplete to determine either a market value for the subject property or provide information for an equity analysis.

Based upon the foregoing, we find insufficient evidence has been presented to support for either a claim of inequity or over-assessment.

Conclusions of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2009). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. *Id.* "Market value" essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property "shall be one hundred percent of its actual value." § 441.21(1)(a).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shriver*, 257 Iowa 575, 133 N.W.2d 709 (1965). The six criteria include evidence showing

"(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the

assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination.”

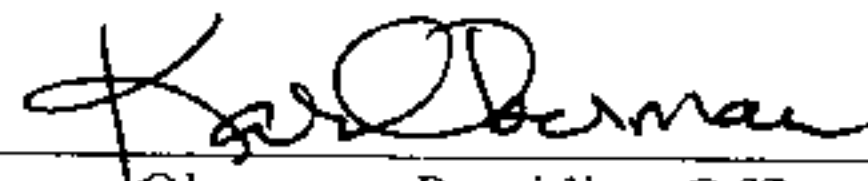
Id. at 579-580. The gist of this test is ratio difference between assessment and market value, even though Iowa law now requires assessments to be 100% of market value. § 441.21(1).

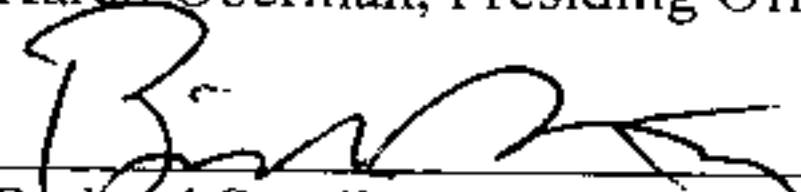
Blatchford provided five equity comparables, however four were located “in town” and not on a similarly situated lake-front lot. Additionally, Blatchford failed to provide support for the market values of these four properties compared to their assessed values to determine a ratio analysis. He considered a fifth sale as an equity comparable, but it is larger and has superior amenities, which were not adjusted for. Blatchford also asserts that different methods of assessment were used for other lake-front properties in close proximity. Although the lots he considered for comparison are nearby properties, they are located outside of the city limits and as such not similarly situated to his property, which is located within the city limits and has full access to all city utilities. Blatchford did not show inequity under *Maxwell* or *Eagle Foods*.

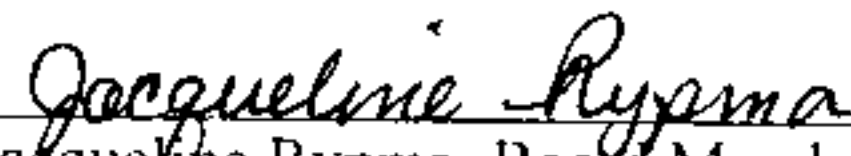
In an appeal that alleges the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(b), there must be evidence that the assessment is excessive and the correct value of the property. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). Blatchford failed to support his claim the property is over assessed.

THE APPEAL BOARD ORDERS that the January 1, 2010, assessment of Dewey Blatchford’s property located at 204 Ford Road, Emmetsburg, Iowa, is affirmed.

Dated this 24 day of August, 2011


Karen Oberman, Presiding Officer


Richard Stradley, Board Chair


Jacqueline Rypma, Board Member

Cc:

Dewey Blatchford
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APPELLANT

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ATTORNEY FOR APPELLEE

Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>8-29</u> , 2011	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
	<input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
Signature	